REMARKS

This Amendment and Request for Continued Examination is submitted further to a Notice of Appeal to the Board of Patent Appeals and Interferences filed on March 7, 2007.

Thus, under 37 CFR 1.114(d), this is a request to withdraw the appeal and to reopen prosecution of the application before the Examiner. As a result of the Notice of Appeal submitted on March 7, 2007, the period for filing an Appeal Brief without extension would have been May 7, 2007.

Accordingly, this submission is submitted without a petition for an extension of time.

If the Commissioner determines that an extension of time is due, the undersigned hereby petitions for such extension and authorizes the Commissioner to charge any associated fee to the Milbank deposit account 13-3250.

I. Status of the Claims

Please cancel claim 2 without prejudice and amend claim 1 as provided above. Claims 3-4 and 18-120 were previously cancelled without prejudice. Claims 1, 5-17 and 121-123 are now pending in this application. Claim 1 is an independent claim.

Applicants acknowledge the Examiner's citation of statutory authority as a basis for claim rejections.

II. Rejections under 35 U.S.C. § 101

In an Office Action mailed December 8, 2006, the Examiner has rejected claims 1, 2, 5-17 and 121-123 under 35 U.S.C. § 101, as directed to non-statutory subject matter. The Examiner states.

[T]he claimed invention is directed to a judicial exception to 35 U.S.C. 101 (i.e., an abstract idea, natural phenomenon, or law of nature) and is not directed to a practical

application of such judicial exception because the claims do not require any physical transformation and the invention as claimed does not produce a useful, concrete, and tangible result.

(Office Action 12/08/06, 2-3 \P 3). The Examiner further states, "It is not clear as to what tangible result is produced by implementing the steps of the claimed invention." (Office Action 12/08/06, 4 \P 3).

Applicants submit that rejection under 35 U.S.C. § 101 has been overcome by way of amendment to claim 1. In particular claim 1 has been amended to identify the company as issuing a debt in the form of a debt instrument and determining a debt concentration threshold. Support for this change can be found, by way of non-limiting example, in paragraphs 29 and 32 of the Specification.

Further, claim 1 has also been amended to include the step of <u>purchasing the debt by the entity</u>. Support for this change can be found, by way of non-limiting example, in paragraph 22 and 24 of the Specification.

Finally, claim 1 has also been amended to include the company issuing a new debt instrument with the changed parameter. Support for this change can be found, by way of non-limiting example, in cancelled claim 2 and paragraph 7 of the Specification.

Claim 1 now shows a tangible, real world result, that being a changed debt instrument, occurring when the entity holds more of the debt, issued by the company, than the debt concentration threshold. Applicants submit that Examiner's rejection of dependent claims 5-17 and 121-123 have been overcome, being dependent to claim 1 for the same reason stated above.

III. Rejections under 35 U.S.C. § 112, second paragraph

The Examiner has rejected claims 1, 2, 5-17, and 121-123 under 35 U.S.C. § 112, second paragraph, as failing "to particularly point out and distinctively claim the subject matter which

applicant regards as the invention." Examiner points out a number of perceived ambiguities in the claims, stating "[I]t is not clear how th[e] objective of creating an incentive for an entity to limit its accumulation of dept used by a company is achieved by the steps of the claim." (Office Action 12/08/06, 4 ¶ 5). Examiner further states, "It is not clear who determines a debt concentration threshold," and states that it is unclear "[w]hich party does the associating a condition and changing the at least one parameter." Examiner also states, "There is no mention about purchasing of this debt by the entity."

Applicants submit that the rejection under 35 U.S.C. § 112, second paragraph, has been overcome by way of amendment to claim 1. Claim 1 now shows that the debt instrument is issued by the company, the debt is purchased by the entity, the debt threshold is determined by the company and that the associated condition occurs when the entity holds more of the debt than the debt concentration threshold. Applicants submit that these amendments resolve the perceived ambiguities expressed by Examiner. Applicants have also amended claim 1 to clarify that the condition is occurring when the entity holds more of the debt than the debt concentration threshold. Applicants submit that this change makes the claim easier to read, in light of the following step in amended claim 1 of "changing the at least one parameter of the debt instrument upon the occurrence of the condition."

Accordingly, Applicants respectfully request that the Examiner withdraw the rejection to claim 1. Applicants further submit that Examiner's rejection of dependent claims 5-17 and 121-123 have been overcome, being dependent to claim 1 for the same reason stated above.

V. Request for Reconsideration

Applicants respectfully submit that the claims of this application are in condition for allowance. Accordingly, reconsideration of the rejection and allowance is requested. If a

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conference would assist in placing this application in better condition for allowance, the undersigned would appreciate a telephone call at the number indicated.

Respectfully submitted,

Michael D. Kurzer

Reg. No.: 57.350

Milbank, Tweed, Hadley & McCloy LLP

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Milbank Tweed Hadley & McCloy LLP 1 Chase Manhattan Plaza New York, NY 10005 (212) 530-5000 / (212) 530-5219 (facsimile) NY2:#4737865